

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 12-262

ELECTRIC AND GAS UTILITIES

**2013-2014 CORE Electric Energy Efficiency Programs
and Natural Gas Energy Efficiency Programs**

ORDER OF NOTICE

On September 17, 2012, Granite State Electric Company d/b/a Liberty Utilities; New Hampshire Electric Cooperative, Inc.; Public Service Company of New Hampshire; Unitil Energy Systems, Inc. (collectively, the Electric Utilities); Energy North Natural Gas, Inc. d/b/a Liberty Utilities; and Northern Utilities Inc. d/b/a/ Unitil (collectively, the Gas Utilities) jointly filed with the Commission proposals for the 2013-2014 CORE New Hampshire Energy Efficiency Programs of the Electric Utilities and the Energy Efficiency Plan of the Gas Utilities for the period January 1, 2013 through December 31, 2014. The filing and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2012/12-262.html>.

Funding for the CORE electric energy efficiency programs is provided through the System Benefits Charge paid by ratepayers and is supplemented by funds available through the Independent System Operator-New England's Forward Capacity Market¹ and the Regional

¹ Estimated ISO-NE payments have been allocated among the proposed energy efficiency programs: 15% to low-income, then the remaining amount is allocated 70% to commercial and industrial, and 30% to residential. The Electric Utilities have capacity supply obligations for their CORE program capacity reductions through the sixth Forward Capacity Market which ends May 31, 2016.

Greenhouse Gas Initiative (RGGI).² The Electric Utilities state they would also be prepared to use funding from the renewable energy fund under the Electric Renewable Portfolio Standard, RSA 362-F:10, administered by the Commission. They further assert that they will continue to collaborate with other funding sources such as the BetterBuildings program administered by the N.H. Community Development Finance Authority. Funding for the natural gas energy efficiency programs is provided through the conservation charge, a component of the Local Distribution Adjustment Charge. Any unspent funds from prior program years for both the Electric and Gas Utilities are carried forward to the following year's budget, including interest based on the prime rate.

The Electric and Gas Utilities state that they will file an updated plan by September 30, 2013 for the 2014 program year due to a number of likely changes expected to occur in 2013, namely: an updated Avoided Energy Supply Cost Study, measurement and verification studies, program measure changes, a June 1 discount rate adjustment, budget changes resulting from differences in actual kilowatt-hour (kWh) sales from the estimated kWh sales used to estimate overall program funding, and carryover adjustments.

The proposed energy efficiency programs are designed to be consistent throughout the State with equal access for any eligible customer subject to available budget. Differences between the programs offered by the Electric Utilities and Gas Utilities have been eliminated in this filing so that customers will receive services and incentives seamlessly from the utilities. In addition to the proposed CORE energy efficiency programs, New Hampshire Electric

² Pursuant to 2012 N.H. Laws 281 (eff. Jan. 1, 2013), which amended RSA Chapter 125-O, revenues from the sale at auction of the State's annual CO₂ budget allowances under the RGGI in RSA 125-O will be deposited in a newly-created Energy Efficiency Fund to fund CORE energy efficiency programs. All proceeds in excess of one dollar per allowance sold will be refunded to electric default service customers and the remaining proceeds, after administrative costs, will go to the Energy Efficiency Fund.

Cooperative, Inc.; Public Service Company of New Hampshire; and Unitil Energy Systems, Inc. propose additional utility-specific programs.

The Electric and Gas Utilities request that all programs, other than the non-electric energy savings associated with the Home Performance with EnergyStar® (HPwES) program, be included in the determination of the performance incentive. The Electric and Gas Utilities state they will not include the non-electric energy savings associated with the HPwES program in compliance with Order No. 25,402 in Docket No. DE 10-188.

The Electric and Gas Utilities seek to continue multi-year approvals and specifically request Commission authority to continue to make customer commitments during 2013 and 2014 for projects to be completed in 2013-2016. The Electric and Gas Utilities seek to make commitments only to those customers who have presented definitive plans for projects to be completed in subsequent years and which include energy efficiency measures contained in the 2013-2014 proposal. All 2013 program guidelines and rules will apply to the 2013-2016 commitments and all customer commitments will be made contingent upon the continuation of the program funding.

The filing raises, inter alia, issues related to RSA 374-F:3, X and whether the proposed programs are reasonable, cost effective, and in the public interest; RSA Chapter 125-O and whether the proposed programs will properly utilize funds from the Energy Efficiency Fund; and whether the proposed programs comply with applicable law and Commission requirements relative to cost effectiveness and the need for program consistency; and whether the Electric and Gas Utilities' proposed calculation of performance incentives for their respective programs complies with Commission orders regarding the calculation of performance incentives. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 24, 2012 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the filing and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

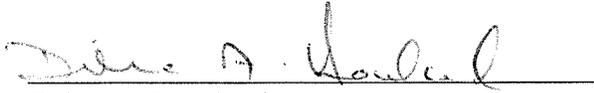
FURTHER ORDERED, that, immediately following the Prehearing Conference, the Electric Utilities, Gas Utilities, Staff of the Commission, and any Intervenors hold a Technical Session to review the filing and allow the utilities to provide any amendments or updates to their filing; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 18, 2012, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 24, 2012; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to the service list and the Office of the Consumer Advocate on or before October 22, 2012, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 24, 2012.

By order of the Public Utilities Commission of New Hampshire this fifteenth day of
October, 2012.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

INTERESTED PARTIES

RECEIVE ORDERS, NOTICES OF HEARINGS ONLY

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